United Nations DP/2000/30

Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund

Distr.: General
22 August 2000

Original: English

Third regular session 2000
25 to 29 September 2000, New York
Item 6 of the provisional agenda
United Nations Office for Project Services

Responsibility of the United Nations Office for Project Services in personnel matters

Delegation of authority for personnel matters
Establishment of posts

Report of the Executive Director

SUMMARY

The present report contains an update on the steps taken to implement Executive Board decision 99/17 of 15 September 1999. The document has been reviewed and approved by the Management Coordination Committee and submitted for the comments of the Advisory Committee on Administrative and Budgetary Questions.

At the time of preparation of this report, the delegation of authority for personnel matters has been issued by the Administrator, following consultations between respective offices responsible for human resources management at which operational arrangements of the implementation of the delegation were discussed and agreed on.

The present report also contains a review of the procedures applying to the establishment of posts, including those at the D-1 level as outlined in decision 94/32 of 10 October 1994, bearing in mind the self-financing nature of UNOPS operations.

00-62098

I. INTRODUCTION

1. The present report contains an update on steps taken by the United Nations Office for Project Services to implement Executive Board decision 99/17 of 15 September 1999, as requested by the Board in paragraph 6 of its decision 2000/16 of 23 June 2000. The document also provides the Board with a review of current procedures for approval of posts at the D-1 level, as requested in paragraph 7 of its decision 2000/16.

2. The justified proposal relating to the upgrading of two existing posts at the P-5 level to the D-1 level, also requested by the Executive Board in paragraph 7 of its decision 2000/16 of 23 June 2000 is contained in paragraphs 22 through 26 of the revised budget estimates for the biennium 2000-2001 (DP/2000/37).

II. DELEGATION OF AUTHORITY ON PERSONNEL MATTERS

3. In its decision 99/12 of 22 June 1999, the Executive Board requested a detailed proposal on the responsibility of UNOPS in personnel matters, with a view to taking a decision on the delegation of authority in the areas of personnel. In response to that decision, the Executive Director submitted a report (DP/1999/38) that had been prepared in collaboration with the Administrator and which outlined in detail the responsibility of the Office in personnel matters. The report highlighted the need for a single, comprehensive system of personnel authority and accountability, covering all levels of personnel. The report also provided for the legislative and institutional grounds on which to base the UNOPS personnel regime, as well as the operational modalities under which the Executive Director would exercise the authority delegated to him in personnel matters. Having completed its review of the report, the Board, in its decision 99/17 of 15 September 1999, requested as a first step, that the Administrator delegate the authority to the Executive Director.

4. The delegation of authority reflects the basic framework for the personnel arrangements. Such framework provides that authority in all personnel matters should be vested in the Executive Director except for that retained by the Secretary-General and with respect to staff holding UNDP letters of appointment not limited to service with UNOPS, by the Administrator.

5. Following decision 99/17 of 15 September 1999, the respective human resources offices of UNDP and UNOPS proceeded with internal consultations in order to determine the operational arrangements of the implementation of the delegation of authority. While the consultations have taken longer than originally anticipated, partly owing to difficulties in scheduling meetings, they have sufficiently progressed during the last quarter of 1999 and the first semester of 2000, to enable the Administrator to proceed with signing the delegation of authority. In broad terms, it was agreed during the consultations that the overriding concern in the implementation of the delegation of authority would be to ensure that UNOPS personnel are administered in the most cost-effective and efficient manner. In that spirit, parties involved in the discussions agreed that the issuance of UNOPS letters of appointment will contribute to clarifying further the accountability of the Executive Director in personnel matters.

6. During the consultations, the respective UNDP and UNOPS human resources offices agreed on a number of general provisions as follows: all UNOPS staff, whether they are charged to the administrative budget or to projects, will be issued UNOPS letters of appointment unless they are UNDP staff on assignment to UNOPS; UNOPS staff will be administered according to the United Nations Staff Regulations and Rules and related policies and practices of UNDP and, where applicable, of UNOPS; UNOPS will exercise full supervisory authority and managerial responsibility over UNOPS staff, regardless of the administering entity; costs relating to the employment of UNOPS staff will be the financial responsibility of UNOPS, regardless of the administering entity (with the exception of staff on secondment or on loan, in which case explicit agreements will define the financial responsibility of each party); and in situations where UNOPS avails itself of administrative services from UNDP or, where neither UNOPS nor UNDP have the capacity to perform administrative services, from

other established United Nations offices following consultations between UNDP and UNOPS, the Executive Director will further delegate the authority to provide administrative services upon request and on behalf of UNOPS.

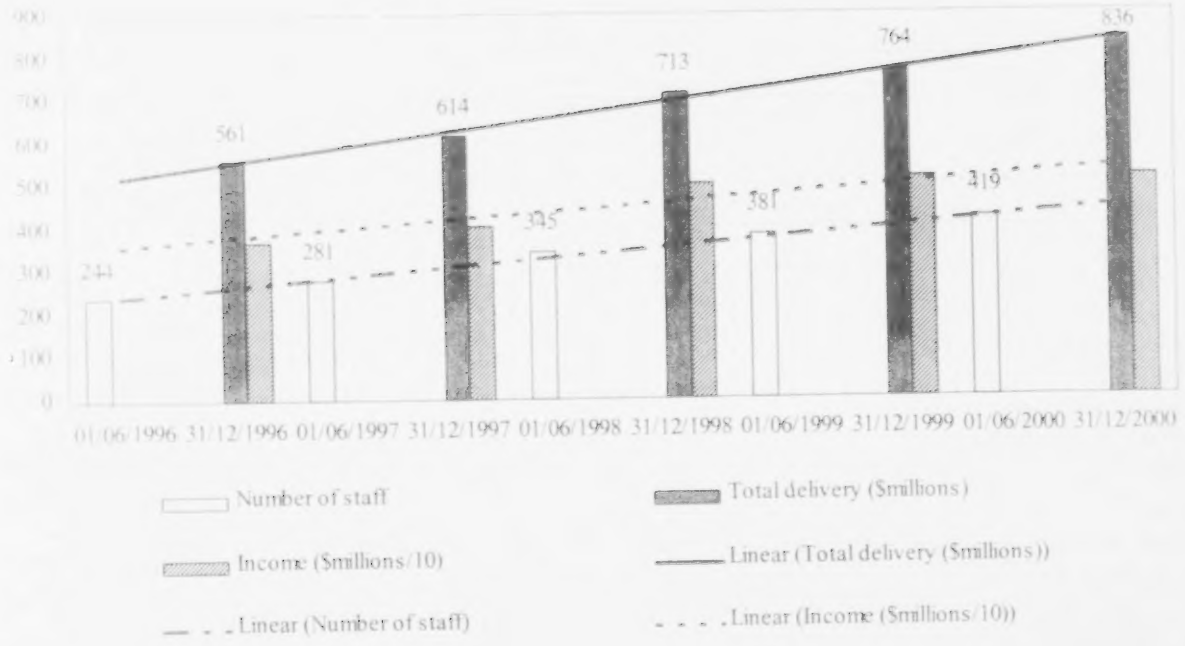
7. Other than the arrangements listed above, further agreements between UNDP and UNOPS will be concluded separately, specifying the UNDP services to be provided, together with associated charges based on identifiable work loads and performance standards and time frames.

8. The Executive Director is satisfied that the above steps taken to implement decision 99/17 of 15 September 1999 form a sound basis for the implementation of the delegation of authority in personnel matters.

III. PROCEDURES FOR THE APPROVAL OF THE ESTABLISHMENT OF POSTS AT THE D-1 LEVEL

9. Based on report DP/1994/62 of the Executive Director, the Executive Board decided, in its decision 94/32 of 10 October 1994, that the establishment of posts at the P-5 level and below require the ex post facto approval of the Board, while posts at the D-1 level and above must receive advance approval of the Board.

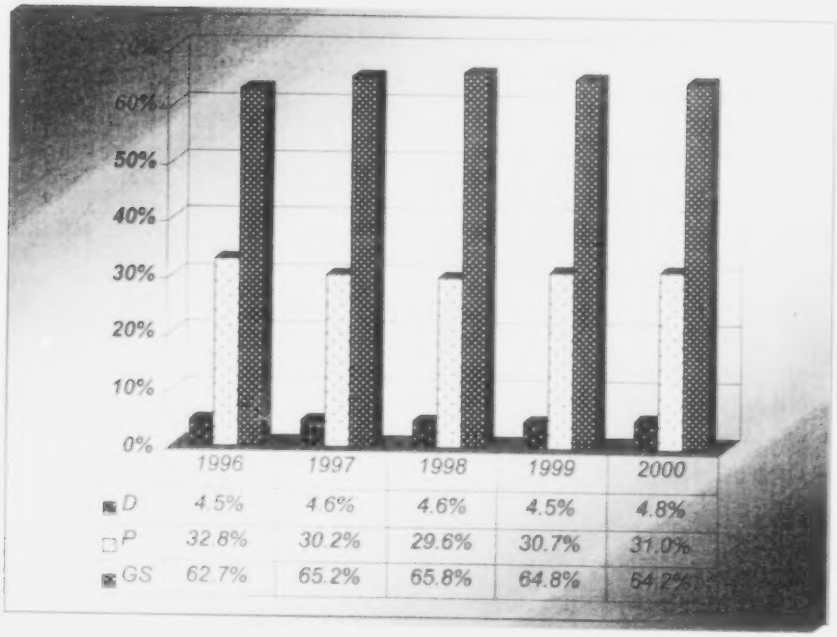
Figure 1. A comparison between trends of number of staff, delivery and income over the period 1996-2000



10. In the report on the revised budget estimates for the biennium 1996-1997 (DP/1996/36), the Executive Director informed the Executive Board that the retention or abolition of posts has no financial impact per se on UNOPS, of either a positive or negative nature, since, unlike other United Nations organizations, UNOPS does not have a core budget from which posts are funded. Therefore, the establishment and abolition of posts does not have direct financial implications on Member States and the staffing table merely reflects the UNOPS response to fluctuations in business acquisition and corresponding delivery. That the UNOPS staffing level is primarily affected by fluctuations in total delivery is demonstrated in figure 1 which shows the staffing trend over the period 1996-2000 closely follows the trends in total delivery and income. Of paramount importance, then, is the overall administrative budget based on the self-financing principle.

11. The UNOPS staffing table is therefore significant only to the extent that it establishes the types and levels of human resources that can be recruited. In this connection, the staffing table of 1 June 1996, as approved by the Executive Board in its decision 95/31 of 15 September 1995, contained a total of 244 established posts with 153 posts (62.7 per cent) in the General Service category, 80 posts (32.8 per cent) in the Professional category (P-1 to P-5 levels), and 11 posts (4.5 per cent) in the higher category (D-1 and above). In subsequent years, the ratio between these categories of staff has remained more or less constant, even when including the special project-related posts established in response to specific project-related requirements, and which are by definition of a temporary nature. The staffing table as of 1 June 2000, under review by the Board at the current session, contains a total of 419 established posts with 269 posts (64.2 per cent) in the General Service category, 130 posts (31 per cent) in the professional category (P-1 to P-5 levels) and 20 posts (4.8 per cent) in the higher category (D-1 and above). Figure 2 demonstrates the degree of stability of the relative weight of each category of staff during the period 1996-2000.

Figure 2. Staff distribution over the period 1996-2000



12. In its report DP/1997/28, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) expressed its opinion that UNOPS must continue to manage posts in a flexible manner. This observation was made in response to the report of the Executive Director contained in document DP/1997/29, in which the absence of financial implications to Member States emanating from the establishment and abolition of posts in view of the lack of assessed budget funding had been highlighted. ACABQ had already made a similar observation in its report contained in document DP/1995/45, in which it noted the introduction of a flexible post management system within UNOPS in order to be responsive to changes in demand and projected income.

13. Over the period 1995-1999, UNOPS has demonstrated that a flexible post management system is an essential tool for the Executive Director to be able to maintain a balanced budget, by carefully monitoring expenditures and income levels while meeting evolving business requirements. As specific needs develop from a diversification in its client base or from identification of a new range of services that UNOPS may be able to deliver successfully, the Executive Director must be able to respond quickly, efficiently and in the most cost-effective manner.

14. This response may involve the establishment or abolition of posts, including posts at the D-1 level. The demand for UNOPS services is increasingly calling for a specialized capacity for the management of multidisciplinary initiatives, with complexities deriving from technical, political and social factors. While the corresponding budgets cover technical inputs, the expert management of the programmes is entrusted to the executing agent, such as UNOPS, which must mobilize the appropriate support and backstopping capacity at the required level. At times, the appropriate level is the D-1 level. Given the scheduling of Executive Board meetings, it may be quite likely that the requirement to obtain ex ante approval for the establishment of posts at the D-1 level would postpone UNOPS response by as much as half a year, with great inconvenience for the client and the programme itself. Given the temporary nature of these posts - their costs are covered by the specific management fee generated by the implementation of the related project or group of projects - they constitute an essential flexibility parameter on which to gauge UNOPS response.

15. The trend over the period 1995-1999 demonstrates that the Executive Director has been responsive to evolving requirements by establishing the appropriate number and level of posts, without inflating any of the categories of staff, realizing that a healthy balance between categories is essential for the success of a self-financing entity. Posts at the D-1 level are equally essential for the successful execution of major activities, which are by definition demand-driven.

16. In light of the above, the Executive Director is therefore of the opinion that there may be merit in him also being given the authority to establish posts at the D-1 level similar to his existing authority pertaining to the establishment of posts at the P-5 level and below. Nevertheless, after consulting the MCC, the Executive Director proposes, for the time being, to continue with the present arrangement, limiting his authority to the establishment of posts at the P-5 level and below. The Executive Director will monitor the impact of continuing to require ex ante approval for the establishment of posts at the D-1 level including for project related activities financed from the administrative budget. Should a need therefore arise, the Executive Director will report thereon to the Executive Board.

IV. EXECUTIVE BOARD ACTION

17. The Executive Board may wish to:

(a) Take note of the report of the Executive Director (DP/2000/30) and of the fact that delegation of authority in personnel matters has been provided to the Executive Director by the Administrator;

(b) Request the Executive Director to report at the first regular session 2001 on measures taken to ensure the proper discharge of the delegated authority;

(c) Decide that, for the time being, the Executive Director must continue to receive the advance approval of the Board for the establishment of posts at the D-1 level and above, while the Executive Director retains his authority to establish posts at the P-5 level and below on the basis of ex post facto approval of the Board.